

To: Mayor Thomas L. Schoaf and Members of the City Council
From: Lars Johnson,
Meeting Date: November 20, 2019
Subject: AWARD OF BANKING SERVICES CONTRACT

Recommended Motion:

MOVE TO APPROVE A CONTRACT WITH US BANK FOR BANKING AND PROCUREMENT CARD SERVICES FOR DECEMBER 1, 2019 THROUGH DECEMBER 31, 2024 AND UP TO 5 ONE-YEAR EXTENSIONS AND AUTHORIZE STAFF TO EXECUTE ALL NECESSARY DOCUMENTS.

Background/Discussion:

The City published a request for proposals (RFP) for banking, procurement card, and merchant services on August 16, 2019 and received 6 proposals that met the mandatory requirements. City Staff in the Finance Department evaluated the proposals based on four sets of criteria: (1) Mandatory Criteria, (2) Customer Service, (3) Expertise and Experience, and (4) Fees. The rankings of the proposals are as follows:

| | Points Available | US Bank | BMO Harris Bank | Wells Fargo | Chase | Washington Federal | National Bank of AZ |
|-----------------------------|------------------|-----------|-----------------|-------------|-----------|--------------------|---------------------|
| 1. Mandatory Criteria | 20 | 19 | 20 | 20 | 20 | 20 | 18 |
| 2. Customer Service | 20 | 18 | 19 | 20 | 18 | 18 | 17 |
| 3. Expertise and Experience | 20 | 18 | 17 | 19 | 19 | 17 | 19 |
| 4. Fees | 40 | 38 | 32 | 28 | 30 | 22 | 20 |
| Total | 100 | 93 | 88 | 87 | 87 | 77 | 74 |

During Staff's evaluation, US Bank's proposal was given the most points. Particularly in the area of fees, US Bank obtained the highest scores as a result of having the lowest bank fees, a high earnings credit, and a procurement card solution with a high rebate for spend. Staff recommends award of the contract for banking and purchasing card services to US Bank. However, Staff recommends keeping our current merchant services provider through Chase Paymentech as it remains more competitive than US Bank's option.

The contract term was specified in the RFP is five (years), starting with December 1, 2019 and ending with November 30, 2024. After this initial term, the contract allows for up to 5 additional one-year extensions subject to the approval of the City's Finance Director and bank.

Staff Recommendation:

Staff recommends award of the banking services and procurement card contract to US Bank and keeping Chase Paymentech for merchant services.

Financial Impact:

Various service fees are charged for commercial banking services. These fees can be covered by maintaining a balance in the account which earn a specific earnings credit, called compensating balances, or the City will be invoiced for these fees. The itemized fees charged by US Bank are less than our current provider and US Bank offers more earnings credit on compensating balances. Also, the procurement card service offered by US Bank has rebates on spend. US Bank will provide the City with more cost effective services.

Attachments:

RFP Acknowledgement
Banking Services Proposal Evaluation Detail
Agreement for Banking Services



CITY OF LITCHFIELD PARK
REQUEST FOR PROPOSALS - AWKNOWLEDGEMENT OF PROPOSALS RECEIVED
PROFESSIONAL BANKING SERVICES
BID OPENING DATE: MONDAY, SEPTEMBER 30, 2019 AT 3:00 PM

| BIDDERS NAME AND ADDRESS |
|---|
| <p>Chase Bank 150 West University Dr, Floor 1 Tempe, AZ 85281</p> |
| <p>Wells Fargo 100 W. Washington St, 20th Floor Phoenix, AZ 85003</p> |
| <p>U.S. Bank 101 N 1st Ave, Suite 1600 Phoenix, AZ 85003</p> |
| <p>BMO Harris Bank 1850 N Central Ave Phoenix, AZ 85004</p> |
| <p>Comdata 5301 Maryland Way Brentwood, TN 37027</p> |
| <p>National Bank of Arizona 5500 W Chandler Blvd, Suite 1 Chandler, AZ 85226</p> |
| <p>Washington Federal 425 Pike Street Seattle, WA 98101</p> |

Affidavit of Posting

Attachment: RFP Acknowledgement (2928 : Banking Services Contract)

I, Terri Roth, CMC, City Clerk, do hereby certify that I caused to be posted a true and correct copy of this Banking Bid Tabulation Sheet, on 10/3/2019 12:57 PM in the following place in the City of Litchfield Park:

- 1. City Hall outside bulletin board

 Terri Roth, CMC, City Clerk



Banking Services RFP Evaluation for 5 - year contract (2019-2024)

| | Points Available | Proposers | | | | | |
|--|------------------|-----------|-----------------|-------------|-----------|--------------------|--------------------------|
| | | US Bank | BMO Harris Bank | Wells Fargo | Chase | Washington Federal | National Bank of Arizona |
| 1. Mandatory Criteria | 20 | 19 | 20 | 20 | 20 | 20 | 18 |
| a) Proposers must be State or Federally chartered | 0-5 | 5 | 5 | 5 | 5 | 5 | 5 |
| b) Proposers must be a member of the FDIC | 0-5 | 5 | 5 | 5 | 5 | 5 | 5 |
| c) Proposer's three most recently audited annual financial statements must have received an unqualified independent Auditor's Report | 0-5 | 5 | 5 | 5 | 5 | 5 | 5 |
| d) Proposers must adhere to the instructions in this RFP on preparing and submitting the proposal (also ranked quality here) | 0-5 | 4 | 5 | 5 | 5 | 5 | 3 |
| 2. Customer Service | 20 | 18 | 19 | 20 | 18 | 18 | 17 |
| a) Quality of Proposer's professional personnel assigned to the Contract. | 0-5 | 5 | 5 | 5 | 5 | 5 | 5 |
| b) Demonstrated commitment to customer service | 0-5 | 5 | 5 | 5 | 5 | 5 | 5 |
| c) Bank and Branch locations (for General Banking Services) | 0-5 | 4 | 5 | 5 | 5 | 5 | 4 |
| d) The value of any new product or service suggestions or other new ideas and enhancements. | 0-5 | 4 | 4 | 5 | 3 | 3 | 3 |
| 3. Expertise and Experience | 20 | 18 | 17 | 19 | 19 | 17 | 19 |
| a) Experience with other municipalities | 0-5 | 3 | 3 | 4 | 4 | 3 | 4 |
| b) Demonstrated ability to perform requested services on a consistent, high-quality basis | 0-5 | 5 | 5 | 5 | 5 | 5 | 5 |
| c) Innovative development and execution of financial products and services | 0-5 | 5 | 5 | 5 | 5 | 5 | 5 |
| d) Ability to provide all services (general banking, procurement card and merchant). Exceptions to terms and conditions of RFP | 0-5 | 5 | 4 | 5 | 5 | 4 | 5 |
| 4. Fees | 40 | 38 | 32 | 28 | 30 | 22 | 20 |
| a) Banking Services (scale x 2) | 0-10 | 10 | 4 | 8 | 6 | 6 | 2 |
| Earnings Credit Rate (scale x 2) | 0-10 | 10 | 10 | 6 | 8 | 6 | 4 |
| b) P-Card (scale x 2) | 0-10 | 10 | 10 | 6 | 6 | 4 | 8 |
| c) Merchant fees over interchange pass through (scale x 2) | 0-10 | 8 | 8 | 8 | 10 | 6 | 6 |
| Total | 100 | 93 | 88 | 87 | 87 | 77 | 74 |

Rated by: City of Litchfield Park Finance Department

Rating Scale Description

- 5 = Excellent, above expectation
- 4 = Very Good
- 3 = Good, as expected
- 2 = Fair, below expectation
- 1 = Poor, below expectation
- 0 = Failed, unacceptable

Attachment: Banking Services Proposal Evaluation Detail (2928 : Banking Services Contract)